

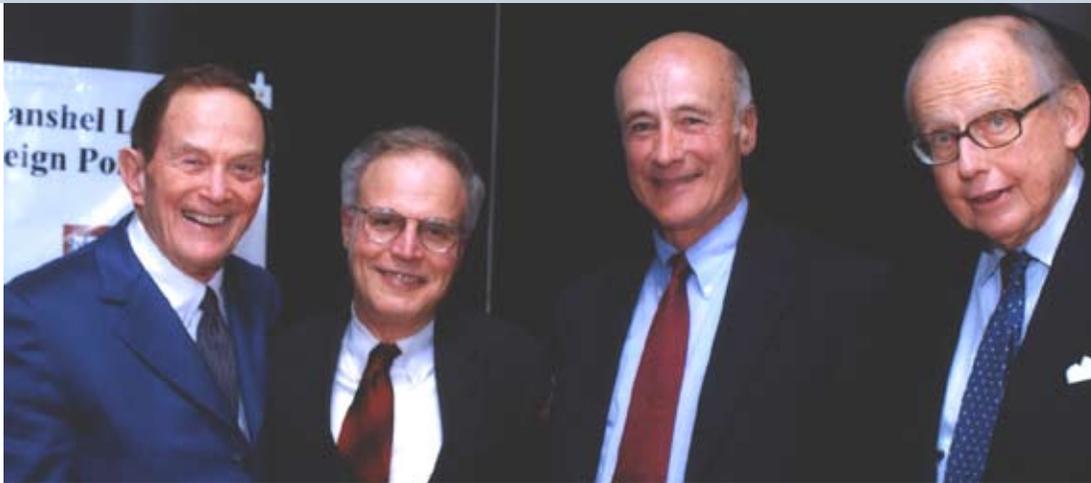


CENTERPIECE

NEWSLETTER OF THE WEATHERHEAD CENTER FOR INTERNATIONAL AFFAIRS HARVARD UNIVERSITY

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FROM THE DIRECTOR



Pictured here at the Fifth Manshel Lecture on American Foreign Policy (see pg. 4) is Albert Weatherhead (left), who is joined by Center Director, Jorge I. Domínguez, and two former directors, Joseph Nye and Samuel Huntington.

Among the many comments that I have received since it became known that I would step down as Center Director after ten years on the job, one comment in particular showed a keen understanding of my intentions from the very beginning. This Faculty Associate, not generally inclined to flattery, said that the “Center had been part of the problem, and now it has become part of the solution.” One should quarrel with that characterization of the distant past, but I focus here on becoming “part of the solution.”

There are some obvious ways. The Weatherhead endowment and other resources have made it possible for the Center to provide a hitherto unprecedented level of research support to faculty and students. And work on the buildings — construction and renovations — has also finally paid off. The Center for International Affairs at Coolidge Hall is now the Weatherhead Center for International Affairs at the Center for Government and International Studies, headquartered at the Knafel building.

Yet, “becoming part of the solution,” means something else. The challenge was to construct an institution that would help to motivate and support very bright and hard-working people to do their best work. The Center had to be, and had to be perceived

as, “friendly” to the research interests of faculty and students.

The design of the Center’s programs to support the faculty focused on the one important resource that Harvard professors lack: time. That is why the Weatherhead Center funds research semester leaves. That is why our program to provide conference support includes not only the necessary funding but also spectacularly effective staff support.

That is also why I insisted, again and again, that I did not have “an agenda” for the Center, even if that was never quite true. “Not having an agenda” meant that I would not twist the arms of professors to get them to do what I thought was important, but that they thought was a waste of time—or at best a distraction. It meant that the agenda of the Center could not be mine. It had to be *ours*. The Weatherhead Center would be effective if it did not bully or “buy” the time of professors to advance the agenda of the Director. The Center would be effective only if it were co-owned by its members. My conversations with Faculty Associates, therefore, always focus on the only important question: What are you working on and how can the Center help you accomplish your best work? My agenda was to make this the best research center. Period. And denying that I had an

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agenda was the best way to bring it about.

To become such a center could not, however, depend simply on good will alone. The Weatherhead Center's professional credibility relies as well on our collective reliance on transparent and well-advertised procedures to govern the allocation of our resources. The Weatherhead endowment is not and should never be a "slush fund" for the Center Director's pet projects. The Center, instead, makes its decisions by relying on an array of academic review committees. The decisions to approve or disapprove proposals must meet public and well-recognized universal standards of scholarly legitimacy.

When the sums of money are very large, as in the decisions to support individual professors for research semesters, we rely on scholars from outside Harvard University; for those decisions the Center Director behaves in a manner similar to that of a journal editor who depends on the assessments of professional referees. The very large Weatherhead Initiative awards are evaluated by a review committee, headed for several years by former University President Derek Bok and constituted of professors from various Schools and Departments of the University; this review committee also solicits peer review reports, and its eventual recommendations must be approved by the Center's Executive Committee. During my tenure as Center Director I have not applied for either a Weatherhead Initiative or a research semester grant.

Research centers are at times scrutinized with regard to their capacity to foster interdisciplinary research. The Weatherhead Center is exemplary in its commitment to interdisciplinarity in many ways, ranging from the variety of large projects funded under the Weatherhead Initiative to its support of a myriad of seminars. The Friday seminar series, in which Graduate Student Associates present their research to each other, is perhaps the only venue at Harvard where social anthropologists, economists, political scientists, sociologists, and historians regularly and rigorously engage each other as scholars and as friends.

A research center should always invest in the medium- to long-term future, and at a university that means investing in graduate students. I joined the Center in 1969 with the first cohort of Graduate Student Associates and remained determined to allocate as many resources as possible to support graduate student research. The Weatherhead Center is home—sometimes literally!—to a splendid set of graduate students. We support both exploratory research for the dissertation and time for dissertation completion. We fund graduate student conferences and engage graduate students in a wide array of in-

tellectual communities. We try, also, to get graduate students "out"—out to choose a topic, start field research, finish field research, write the dissertation, and find a job—toward a world of excellence and the highest levels of scholarly performance.

An even longer-term investment is to stimulate the international interests of our undergraduates. Only a few weeks ago it was a special pleasure when the vice chairman of the U.S. Federal Reserve Board recalled that senior thesis funding from the Center gave him his first international experience. He belonged to the first cohort of the Center's Undergraduate Associates, the creation of which was my first institutional innovation in 1972-73 as a member of the Center's Executive Committee.

The Weatherhead Center has today a vigorous and multifaceted program to involve undergraduates. We still feature appointments of thesis-writing seniors as Undergraduate Associates but now give them even more intellectual support than ever. The Center's Fellows increasingly work with many undergraduates on various projects, and they exemplify the Center's commitment, since its founding in 1958, to connect the world of international practice to the world of the University. The Center's partnership with the undergraduate organization, the Harvard International Relations Council, helps in various other ways to connect Center Fellows to undergraduates and to foster other forms of engagement for undergraduates with the Center.

Robert Bowie not only founded the Center for International Affairs, but he also forever shines a light that monitors this most recent steward of his legacy. These words, reprinted in *The Year Ahead* every year during my directorship since former executive director Anne Emerson had this great idea, have kept me focused:

Our capacity to achieve the promise and avoid the perils of the modern age depends first, on deeper knowledge of the forces making for change, and second, on increased understanding of the impact of these forces on the international order... The Center for International Affairs was founded in the belief that Harvard has unusual resources for basic research of this kind.

And for basic research of this kind we need the Center's members to co-own the Center; we need the Center to be committed to excellence. Excellence rests on helping the brightest people, regardless of their age or rank, do their best work. Excellence is nurtured best when the institution is both capable and humane, remembering that its members are not just "brains" but also human beings. When the Weatherhead Center's legacy is assessed at its centennial, I hope that it will have continued to be "part of the solution." ●

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Deteriorating Health in the Former Soviet Union

Conference Summary

The states of the former Soviet Union have experienced an appalling decline in public health conditions since the collapse of the U.S.S.R. in 1991. Failing national health care systems, demographic decline, and the rise and unchecked spread of infectious diseases, including HIV/AIDS, threaten to devastate the health and well-being of citizens in these countries. On April 29-30, 2005, the conference “Health and Demography in the States of the Former Soviet Union” was held at the Weatherhead Center for International Affairs to explore both the status of health and the short- and long-term consequences of deteriorating public health trends in these countries. Organized by Yoshiko M. Herrera and Mark G. Field of Harvard University, the conference was held under the auspices of the recently formed Association for the Study of Health and Demography in the Former Soviet Union (ASHDFSU), an affiliate group within the American Association for the Advancement of Slavic Studies (AAASS).

The conference brought together nearly 40 scholars from France, Georgia, Germany, Italy, Russia, the United Kingdom, and the United States, representing a wide range of social science disciplines in order to address the most critical public health concerns in the region. The two-day conference included 22 paper presentations and focused on six substantive areas:

- ♦ general trends in the state of health in the FSU, including reasons for demographic decline;
- ♦ causes of the mortality crisis, including explanations of suicide, the HIV/AIDS epidemic, alcoholism, and stress;
- ♦ the health care system, including the directions of reform taken by several post-Soviet states;
- ♦ responses of governments and societies to the public health crisis, including the outbreak and unchecked rise of HIV/AIDS and other infectious diseases;

- ♦ political and economic consequences of population decline and other public health problems; and
- ♦ efforts of the international community and NGOs to address the public health crisis in the FSU.

The papers presented and discussions generated at this conference underscored that there is an extremely grave health crisis in the Soviet successor states. The combination of: (1) a rapidly declining population, as a result of high mortality and low fertility rates; (2) increasing morbidity, due to the unchecked spread of infectious diseases such as HIV/AIDS and tuberculosis, as well as cardiovascular diseases and other conditions; and (3) a deteriorating health care system, will have disastrous effects on these countries’ political, social and economic development if not addressed and reversed in the very near future. The conference participants also concluded that the public health crisis throughout the FSU requires health promotion and policy reform, an urgent expansion of research across the social sciences, as well as extensive co-

operation between researchers, governmental, non-governmental, and international organizations to reverse the trends. Finally, a third point of agreement is that one of the most interesting and challenging aspects of scholarly research on public health is its interdisciplinary nature, drawing on expertise from sociology, economics, political science, anthropology, and medicine. Such interdisciplinary work seeks to understand quantitative demographic outcomes as well as political and economic institutions related to health care delivery, and how they are affected by political, social, and economic factors. ●

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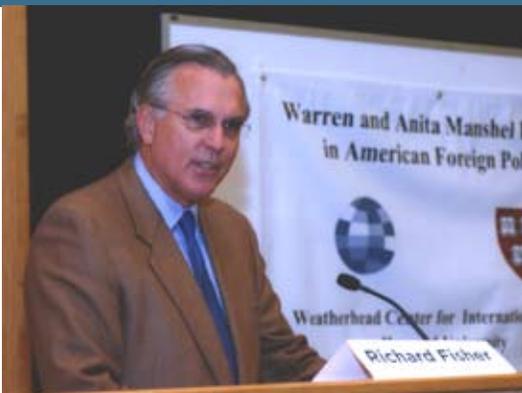
ASHDFSU seeks to foster interdisciplinary work on public health in the region. Interested scholars are encouraged to join. Further information on the ASHDFSU is available at <http://www.fas.harvard.edu/~hdfsu/index.html>. The conference was made possible by funding from the Davis Center for Russian and Eurasian Studies, the Weatherhead Center, and the Center for Population and Development Studies at Harvard University. Marcy McCullaugh (REECA A.M. '04) is a researcher at the John F. Kennedy School of Government. Yoshiko Herrera is John L. Loeb Associate Professor of the Social Sciences at Harvard University’s Department of Government. Mark Field is a Davis Center associate and adjunct lecturer at the Harvard School of Public Health. For more information about the conference, including most of the papers, please visit <http://www.wcfia.harvard.edu/conferences/demography/program.asp>.

The Fifth Warren and Anita Manshel Lecture in American Foreign Policy: Globalization and Monetary Policy

By Richard W. Fisher

Richard W. Fisher delivered the Fifth Warren and Anita Manshel Lecture in American Foreign Policy. The following text is an excerpt from his speech on November 3. Richard Fisher is the President and CEO of the Federal Reserve Bank of Dallas. Previously, Mr. Fisher was vice-chairman of Kissinger McLarty Associates, a strategic advisory firm. Ambassador Fisher is chairman of the American Assembly, co-chairman of the Madison Council's International Committee of the Library of Congress, and chairman of the Council on Foreign Relations Congressional Roundtable on International Trade & Economics. He is a member of the American Council on Germany and a member of the Trilateral Commission. He is an honorary fellow of Hertford College at Oxford University and a fellow of the American Academy of Arts and Sciences.

Photo Martha Stewart



William Gladstone, the four-time prime minister of Britain, probably summed up the gist of all the literature on money when he observed that “not even love had made so many fools of men as pondering over the nature of money.”

Yet that is what I am now paid to do as a Federal Reserve Bank president and member of the Federal Open Market Committee—contemplate the nature of money. Central bankers ponder money so as to protect its value, promote the maximum sustainable non-inflationary economic growth, manage the payments system, and keep the financial and economic infrastructure humming along at peak efficiency.

Money is the economy's lifeblood. The Federal Reserve's great responsibility is to maintain the cardiovascular system of American capitalism. The Fed's operations—from processing payments to regulating banks to trading foreign exchange to setting the federal funds rate—keep open the arteries, veins, and capillaries of capitalism.

We labor constantly to get it right, so as to avoid Gladstone's condemnation. This is no easy task in a constantly changing environment in which the economy is constantly evolving.

So, tonight, I want to talk about what I consider one of the biggest challenges my colleagues and I face: globalization's impact on the gearing of the economy and the making of monetary policy. Before I do, let me issue the standard disclaimer that I speak only for myself and no one else on the Federal Open Market Committee. These thoughts are my own.

The literature on globalization is large. The literature on monetary policy is vast. But literature examining the combination of the two is surprisingly small.

Tom Friedman's popular book *The World Is Flat: A Brief History of the Twenty-First Century* doesn't have a single entry on “money,” “monetary policy,” or “central banking.” And in Michael Woodford's influential book *Interest and Prices: Foundations of a Theory of Monetary Policy*, the word “globalization” does not appear in the index. Nor do the words “international trade” or “international finance.”

What gives? Is the process of globalization disconnected from monetary policy? Is the business of the central bank totally divorced from globalization?

I think not. I believe globalization and monetary policy are intertwined in a complex narrative that is only beginning to unfold. This isn't *To the Lighthouse*. It may be that the process of globalization might never end. But I believe it does have a plot, which I will turn to momentarily.

First, a definition, so that we can contemplate this matter together from common ground. There are many convoluted definitions of globalization. Mine is simple: Globalization is an ecosystem in which economic potential is no longer defined or contained by political and geographic boundaries. Economic activity knows no bounds in a globalized economy. A globalized world is one where goods, services, financial capital, machinery, money, workers, and ideas migrate to wherever they are most valued and can work together most efficiently, flexibly, and securely.

Where does monetary policy come into play in this world? Well, consider the task of the central banker, seeking to conduct a monetary policy that will achieve maximum sustainable non-inflationary growth.

Consider, for example, the experience of former Federal Reserve Governor Larry Meyer, articulated in his excellent little book *A Term at the Fed*. It was one of the first books I read this winter in Cambridge as I prepared for my new job. In it, you get a good sense of the lexicon of monetary policy deliberations. The language of Fedpeak is full of sacrosanct terms such as “output gap” and “capacity constraints” and “the natural rate of unemployment,” known by its successor acronym, “NAIRU,” the non-accelerating inflation rate of unemployment. Central bankers want GDP to run at no more than its theoretical limit, for exceeding that limit for long might stoke the fires of inflation. They do not wish to strain the economy's capacity to produce.

One key capacity factor is the labor pool. There is a shibboleth known as the Phillips curve, which posits that beyond a certain point too much employment ignites demand for greater pay, with eventual inflationary consequences for the entire economy.

Until only recently, the econometric calculations of the various capacity constraints and gaps of the U.S. economy were based on assumptions of a world that exists no more. Meyer's book is a real eye-opener because it describes in great detail the learning process of the FOMC members as the U.S. economy morphed into the new economic environment of the second half of the 1990s. At the time, economic growth was strong and accelerating. The unemployment rate was low, approaching levels unseen since the 1960s. In these circumstances, if you believed in the Phillips curve and the prevailing views of potential output growth, capacity constraints and the NAIRU, inflation was supposed to rise. That is precisely what the models used by the Federal Reserve staff were saying, as was Meyer himself, joined by nearly all the other Fed governors and presidents gathered around the FOMC table. Under the circumstances, they concluded that monetary policy needed to be tightened to head off the inevitable. They were frustrated by Chairman Greenspan's insistence that they postpone the rate hikes they were proposing, yet perplexed that inflation wasn't rising. Indeed, inflation just kept on falling.

If the advice of Meyer and other devotees of the Phillips curve, capacity constraints, output gaps, and NAIRU had prevailed, the Fed would have caused the economy to seriously underperform. According to some back-of-the-envelope calculations by economists I respect, real GDP would have been lower by several hundred billion dollars. Employment gains would have been reduced by perhaps a million jobs. The costs of not getting these critical calibrations right would have been huge.

Now, how was Greenspan able to get it right when other very smart men and women did not? Well, we now recognize with 20/20 hindsight that Greenspan was the first to grasp the fact that an acceleration in productivity had begun to alter the traditional relationships among economic variables.

It is important to listen to the operators of our business economy. We have millions of experienced managers and decision makers in the private sector. This may be our greatest competitive advantage, for no other population has the length and depth of experience that U.S. business operators do. . . . What does an American manager—paid to enhance returns to shareholders by growing revenues at the lowest possible costs—do? Because labor accounts for, on average, about two-thirds of the cost of producing most goods and services, a business manager

will go where labor is cheapest. She will have a widget made in China or Vietnam, or a software program written in Russia or Estonia, or a center for processing calls or managing a back office set up in India.

Let me return home to Harvard once more and read you three quotes from Joseph Schumpeter, who taught here from 1932 until 1949, and I think you will get the picture.

First, from *Capitalism, Socialism, and Democracy*: “The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers' goods, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates.”

From that same page: “The opening up of new markets, foreign or domestic, and the organizational development from the craft shop and factory. . . illustrate the same process of industrial mutation. . . that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of creative destruction is the essential fact of capitalism. It is. . . what every capitalist concern has got to live in.”

And from volume 1 of Schumpeter's *Business Cycles*: “A railroad through new country, i.e., a country not yet served by railroads, as soon as it gets into working order upsets all conditions of location, all cost calculations, all production functions within its radius of influence; and hardly any ‘ways of doing things’ which have been optimal before remain so afterward.”

String the key operative phrases of those three citations together and you get the plot of this story, the plot of globalization: “The opening up of new markets, foreign or domestic. . . revolutionizes the economic structure, . . . destroying the old one, . . . creating a new one. . . [It] upsets all conditions of location, all cost calculations, all production functions, . . . and hardly any ways of doing things which have been optimal before remain so afterward.”

The master of creative destruction of syntax, Yogi Berra, put it more eloquently: Once you open new markets, “History just ain't what it used to be.”

The destruction of communism and the creation of vast new sources of inputs and production have upset all the calculations and equations that the very best economics minds, including those of the Federal Reserve staff—and I consider them the best of all—have used as their guideposts. The old models simply do not apply to the new, real world. This is why I think so many economists have been so baf-



Members of the Manshel family greet Richard Fisher on November 3, 2005, at the Tsai Auditorium, Center for Government and International Studies.

Photo Martha Stewart

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2005-06 Graduate Student Associates

The Weatherhead Center's program for Graduate Student Associates facilitates and supplements students' independent research toward doctoral and advanced professional degrees. Program members come from many of Harvard's academic departments and professional schools to work on projects related to international, transnational, and comparative topics. Steven Levitsky, associate professor of government, is the program director.

Ben Ansell

Ph.D. candidate, Department of Government. An analysis of the determinants of public investment in human capital, particularly focusing on the role of international forces.

Sepideh Bajracharya

Ph.D. candidate, Department of Anthropology. How rumor, political intrigue, conspiracy theories and prophecy mediate the relationship between neighborhood systems of justice and national palace level politics in Kathmandu, the capital city of Nepal.

Pär Cassel

Ph.D. candidate, Department of History. Nation building and extraterritoriality in East Asia in the 19th century.

Sei Jeong Chin

Ph.D. candidate, Committee on History and East Asian Languages. Historical changes in relations between the practice of news making and government policy formation during the period of national crisis and nation-building that spanned the years 1931 to 1952 in modern China.

Asif Efrat

Ph.D. candidate, Department of Government. An original framework for understanding judicial development through a macro analysis of court reforms across countries and across time.

Magnus Feldmann

Ph.D. candidate, Committee on Political Economy and Government. Comparative political economy of

post-socialist institutions, especially wage bargaining/industrial relations; applications of varieties of capitalism to post socialism.

Daniel Gingerich

Ph.D. candidate, Department of Government. Causes of administrative reform in multiparty presidentialist systems in Latin America using a theoretical framework that combines a focus on pre-electoral coalition formation and illicit party financing.

Pengyu He

J.D. candidate, Law School. Access to justice: legal aid in China.

Michael Horowitz

Sidney R. Knafel Fellow. Ph.D. candidate, Department of Government. The spread of revolutions in military affairs: causes and consequences for international power and conflict.

Zongze Hu

Ph.D. candidate, Department of Anthropology. From revolution to the politics of everyday life: changes in perceptions of the "state" in rural North China.

Jee Young Kim

Ph.D. candidate, Department of Sociology. Study of variations in labor practices among Korean-funded firms in Vietnam's footwear industry, to be explained by interfirm relations and global labor-rights movements.

Yevgeniy Kirpichevsky

Ph.D. candidate, Department of Government. Developing a rational choice theory of states' uses of intelligence and counterintelligence strategies.

Diana Kudayarova

Ph.D. candidate, Department of History. Labor policy and labor-market strategies of white-collar professionals in the Soviet Union.

Siddharth Mohandas

Ph.D. candidate, Department of Government. Explaining the success or failure of U.S. state-building efforts in foreign interventions.

Phillip Yukio Lipsy

Ph.D. candidate, Department of Government. Indigenizing the stickiness of international institutions: Will conduct an empirical examination of a theory that explains how international institutions change as a function of underlying variables in the policy area.

Manjari Miller

Ph.D. candidate, Department of Government. Post-colonial ideology and foreign policy, historically contingent state interests: the cases of India and China.

John Ondrovicik

Ph.D. candidate, Department of History. Exploration of the new cultural meanings and structures that arose out of the civil war violence in Germany and Russia from 1918-1923.

Shannon O'Neil

Ph.D. candidate, Department of Government. The impact of social security reforms on social organization and participation in Latin America.



Clare Putnam, coordinator of student programs (middle), is joined by four Graduate Student Associates who are taking a break from their research to attend the Manshel Lecture and reception on November 3 honoring the Fisher Family Commons as part of the dedication of the Center for Government and International Studies.

Thomas C. Schelling Nobel Laureate

Professor Thomas C. Schelling, Lucius N. Littauer Professor of Political Economy, Emeritus, has been awarded the 2005 Nobel Prize in economic sciences for, in the words of the Royal Swedish Academy of Sciences, “having enhanced our understanding of conflict and cooperation through game-theory analysis.” The Academy calls attention, in particular, to Schelling’s *The Strategy of Conflict*, which “set forth his vision of game theory as a unifying framework for the social sciences.”

The Weatherhead Center for International Affairs at Harvard University joins in the celebration of this award to its distinguished colleague.

The Strategy of Conflict, as the book’s title page at its first printing in 1960 indicates, was published when Schelling was “Professor of Economics and Associate, Center for International Affairs, Harvard University.” Schelling joined the Center and its executive committee in 1959. Much of Schelling’s related work developed during his time at the Center. The “Acknowledgments” to *Strategy and Arms Control* (1961), co-authored with Morton H. Halperin, says that parts of the book, written at the Center for International Affairs, went through “much rough but sympathetic handling by the Harvard-MIT Faculty Seminar on Arms Control,” which the Center co-sponsored. Schelling and Halperin add: “The 1960-61 Fellows of the Harvard Center for International Affairs pitched in their share of critical advice.” Schelling’s *Arms and Influence* (1966) appeared while Schelling was serving as acting director of the Center for International Affairs and was co-chairman of its Arms Control Seminar.

Members of the Center for International Affairs, 1959-60. Schelling is in the front row, second from the left.



Graduate Student Associates...

Sonal Pandya

Ph.D. candidate, Department of Government. Foreign trade and investment policies; international and comparative political economy; political economy of development.

Sandra Sequeira

Ph.D. candidate, Committee on Public Policy. The politics of privatization in Sub-Saharan Africa; political economy of institutions.

Hillel Soifer

Ph.D. candidate, Department of Government. Describing and explaining variation in the development of state power across countries in Latin America, focusing on the cases of Chile and Peru.

Sarah Wagner

Weatherhead Center Dissertation Fellow. Ph.D. candidate, Department of Anthropology. The return of identity: technology, memory, and the identification of the missing from the July 1995 massacre in Srebrenica, Bosnia-Herzegovina.

Joseph Wicentowski

Ph.D. candidate, Department of History. A history of the “hygiene police” in modern Taiwan, from Japanese colonial rule to Chinese Nationalist rule.

Emily Zeamer

Ph.D. candidate, Department of Anthropology. How media, globalization, and traditional Buddhist ideology are influencing changing ideas about feminine duty and moral responsibility in contemporary Thailand.

Mwaramutse! Summer Research in Rwanda

By Kathryn Berndtson

Kathryn Berndtson (special concentration in Applied Social Ethics), a Weatherhead Center Undergraduate Associate and Rogers Family Research Fellow, is investigating the consequences of failed empathy in the Rwandan genocide and the process of re-humanization in reconciliation.

The two months that I spent in Rwanda this summer (with brief visits to the Democratic Republic of Congo and Uganda) were the most powerful and wonderful of my life.

After finagling my way through three international airports while hauling 65 kilograms over the permitted baggage allowance—I was transporting two suitcases full of school supplies and a laptop to a youth center there—I arrived in Kigali. As the plane landed, I couldn't look out the window. I was so afraid of what I had gotten myself into that I honestly couldn't bring myself to look out. What on earth did I think I was doing? "Please, dear God," I prayed, "let someone speak English."

As I left the airport I was swept head on into the madness of Kigali.

Dusk in Kigali is especially beautiful despite—or more likely because of—its choking pollution. The twilight has a warm pink-orange color that enhances the redness of the African dirt, and the city is already so colorful that evening makes it almost surreal. At night in Kigali the lights on the dark hillsides fade into the thousands of stars dotting the black sky.

While doing my research I lived in a Catholic hostel run by strict nuns—each room replete with a crucifix—for \$6 a night. Although it did not have much hot water in its communal showers, the people were very nice, the roaches were small, and I was within walking distance to the city center. By the end of my time there, I could navigate by myself if I were careful.

Rwanda has countless genocide memorials. Because my research assesses the role of empathy in genocide reconciliation, I was eager to see the ways in which physical monuments catalyze empathy and contribute to the reconciliation process. Some memorials are merely crosses marking the sites of unthinkable brutality. Others are churches filled with the bones of victims, just as their killers had left them.

The memorial in Kigali represents a particular interpretation of Rwandan history, but its one-sidedness does not reduce its emotional force. Once within it I thought I was doing fine, but when the memorial's message changed from sleek exhibits on colonial manipulation to a large screen with a video depicting child after child crying in pain, with massive scars along their heads, I just stood there. And the moment I saw one particular crying child I began to cry also. I was there for perhaps twenty seconds before a Rwandan friend said something in Kinyarwanda to my interpreter, and he said, "Let's move on." We continued, and again we moved to less visceral exhibits: Kangura/Radio Télévision Libre de Mille Collines (RTL) propaganda; the disturbing ideology of Gregoire Kabyanda in the 1960s; Juvénal Habyarimana's rise to power in 1973; the failure of the UN; and heroic stories that were classified as acts of love more than bravery.



Rwanda Youth Healing Center, Ruhango, Rwanda, summer 2005.

The author, center, is pictured here with youth who are survivors of the April 1994 Rwandan genocide.

I thought we had reached the exhibit's end, but there was much more. I walked into a circular room with graceful curved statues surrounding quotes in Kinyarwanda such as, "There is no humanity without forgiveness, there is no forgiveness without justice, but there is no justice without humanity." Adjoining that main area I encountered rooms full of thousands of photographs of the people who were murdered: smiling, happy, alive, loved. These photographs were donated by surviving family members. This room, which was the most powerful empathetic stimulant I have seen in any memorial, assaulted my conscience. Each photograph imbues a moment (serene, happy, triumphant, and wise) in the life of a person (full, complex, interesting, and human)—



Children from a village near Lake Kivu in Kibuye teach the author a song in Kinyarwanda.

Photo Kathryn Berndtson

and there are thousands. Each one represents the aching loss of the person who donated it.

To look at each photograph, to repeat the loss, even ten times, would have incapacitated anyone, but to feel the room spinning around me with thousands of pictures was too much. My first glance sent me into a steady stream of tears and badly masked irregular breathing. I can only remember two of the three I looked at—a husband and wife, standing in a driveway, arm in arm, and, worst of all, an ebullient girl, missing some baby teeth, hair in pigtails, smiling in her little pink shirt—before my interpreter took me by the arm and led me out saying we would come back another day.

I also had the chance to visit two of the most inaccessible genocide memorial sites in Rwanda near a town called Nyamata. Both were churches. During the first bouts of ethnic violence in 1959 and 1962 churches were havens to which people fled and found refuge. In 1994, however, no place was sacred. The churches' roofs were splattered with tiny holes from the debris caused by grenades. In the dusty, dark silence of these places, tiny rays of light pierced through the ceilings, which looked like they had been painted with faux stars. In the church called Ntarama, nothing has been touched. Beneath the pews, which are boards on cinder blocks, the bones and belongings of the 5,000 people who were massacred in that tiny space littered the floor. One sees a toothbrush, a tiny Velcro shoe, a femur. The only way to pass through the church is to balance carefully along the pews, knowing that one stumble might mean falling onto the bones of a human being. The windows have been hacked through with axes. Outside there is a banner that says in Kinyarwanda: "If you had known that I was like you, you would not have killed me."

The hardest part of my experience to describe is what happened during my interviews. One Hutu informant who insisted on meeting me in a darkened hotel room said that owing to the sensitivity of the information that he was divulging, his life would be at stake if anyone found out his name. The interviews I conducted with prisoners were so interesting that I felt almost guilty for being able to spend my days in these meetings. I spoke with prisoners in Gitarama and Kigali. There is hardly any way for me to describe adequately what that was like. Interviewing in the prisons was the only way that I could begin to understand how the genocide happened. I spent most of my days baffled and sickened by the idea, but when I spoke with these people I found transitory moments of clarity, thinking, "Oh, so that is how that happened." Most of the stories were brutal and terrible, but not only for what they did to their victims. Many of these people were very young—19,

20, 21-years old—during the genocide, and many with whom I had spoken had hidden Tutsis in their homes while rampant murder occurred outside.

One man told me he had confessed to killing two people. I asked him who they were and if he knew them. "The first one," he said, "I did not plan to kill. I was on my way to a funeral for an elderly Hutu woman in my 'cell' (the smallest unit of a community in Rwandan society) with the cell's sector head and several other people from my village when a child came up to us and said he knew where someone was hiding inyenzi ('cockroaches'). We went to the house and found a man farming in his yard. The sector head asked, 'Are you hiding inyenzi in this house?' He said no, but the sector head said he was going to look himself. He found a woman inside and ordered the man who hid her to kill her, a common order during the genocide. The man refused, saying, 'I cannot kill someone I have hidden in my house.' At that point the sector head turned to me and said, 'If you do not kill her, I will kill you,' and handed me a club."

He killed the woman. "I was not a human being," he told me.

When I asked him who the other person was whom he had killed he said that it was a child, not even ten years old. "Why did you kill a child?" I asked.

He explained to me that the child was the younger brother of his elder brother's wife. He was Hutu, but his brother had married a Tutsi. They were hiding the boy, his mother, and the grandmother in the house when the Interahamwe arrived, attacking and killing everyone but the child. When they left, the child was almost dead, writhing in pain on the ground. The elder brother of this man called to him and said, "We cannot take him to the hospital. We cannot treat him. He is only suffering. You must kill him." He handed him a hoe.

I have failed to mention many interesting and beautiful things about my experience in Rwanda; in an attempt to provide a more complete picture, here is a disjointed, random list: the ragged children with distended bellies in Kibuye who taught us a song in Kinyarwanda on a pier on Lake Kivu ("Nane bazungo! Abarachi muraho! Hobe hobe hobe hobe!"); the way that being white gave me the instantaneous and undeserved status of a rock-star—in Rwanda I was followed by throngs of children crying out "Muzungu! Muzungu!" ("European" in Kinyarwanda), or "Monique!" "Monique!" in the

A church in Ntarama, Rwanda, where 5,000 people were massacred in 1994.



Continued page 10

New Faculty Director

On September 28, 2005, Dean of the Faculty of Arts and Sciences William C. Kirby announced the appointment of Beth A. Simmons as the seventh director of the Center for International Affairs, effective July 1, 2006. Center Director, Jorge I. Domínguez, noted of her appointment, “Professor Simmons is a path-breaking scholar, a wonderful teacher, and an active and valued member of the Weatherhead Center community, who is housed already at the Center itself. As a social scientist she has interests in a wide array of topics and has carried out both historical and contemporary research, employing qualitative and quantitative methods, and has been a strong supporter of a plurality of approaches to the understanding of international and comparative questions at various levels. Her first association with the Center was as a graduate student and thus she has experienced the Center in various ways at distinct times of her distinguished career.”



Sang-Kee Kim Fund

The Weatherhead Center is delighted to announce that Byung-Kook Kim (A.B. 1982, Ph.D. 1988) and Byung-Pyo Kim (A.B. 1983) have established, in honor of their father, the Sang-Kee Kim Fund for Teaching and Research in the Social Sciences. Byung-Kook Kim was the Ralph I. Straus Visiting Professor in 2003-04, when he taught at the Kennedy School of Government and organized at the Weatherhead Center the seminar “Security and Domestic Politics in East Asia.” Among the most recent conferences that he helped to co-organize with the Weatherhead Center was an international conference on East Asia, Latin America, and “the ‘New’ Pax Americana,” which was subsequently published as *Between Compliance and Conflict: East Asia, Latin America and the ‘New’ Pax Americana* (co-authored with Jorge I. Domínguez). This fund, to be allocated at the discretion of the dean of the Faculty of Arts and Sciences in consultation with the director of the Weatherhead Center, will support teaching and instruction in the study of East and/or Southeast Asia, with the exception of China and Japan. The fund, in its early years, will be used to bring to Harvard visiting scholars who study East Asia and/or Southeast Asia, with the title of the incumbent to include the name of Sang-Kee Kim and to reflect the discipline of the scholar. Funds may also be used to acquire library materials and to provide graduate fellowship support for work on the region. It is hoped that this initiative will eventually establish a visiting professorship or a full professorship within the Faculty of Arts and Sciences. The Center gratefully acknowledges this magnanimous gift of the Kim family.

Summer research in Rwanda...

Congo (the Swahili rendering of Monuc, the French acronym for the UN mission there); the dry season ending with a tumultuous thunderbolt and deafening rain; and the brightness of women’s fabric and fruit against the sleek, gray streets. The time I spent with the Association des Elèves et Etudiants Rescapés du Génocide (the survivor’s club at the Kigali Institute of Science

and Technology) was greatly rewarding and relieving. They assuaged my fears about abusing their generosity, told me they were grateful for the fact that I already knew a lot about the genocide, and thanked me for being “trés gentile.”

I spent two of the most challenging and rewarding months in my life in Rwanda last summer, and I am so grateful to have had the experience. ●

fled by the length of the current business cycle and the non-inflationary prosperity we have enjoyed over the past almost two decades.

From this, I personally conclude that we need to redraw the Phillips curve and rejig the equations that inform our understanding of the maximum sustainable levels of U.S. production and growth.

Let me illustrate the point by citing another fine writer, Greg Ip. In yesterday's *Wall Street Journal*, he noted that the "U.S. economy grew at a 3.8% annual rate in the third quarter [of this year], its eighth consecutive quarter at about that pace. That's above what most economists consider the economy's potential growth rate—that is, what it can produce with existing capital and labor."

How can economists quantify with such precision what the U.S. can produce with existing labor and capital when we don't know the full extent of the global labor pool we can access? Or the totality of the financial and intellectual capital that can be drawn on to produce what we produce?

As long as we are able to hold back the devil of protectionism and keep open international capital markets and remain an open economy, how can we calculate an "output gap" without knowing the present capacity of, say, the Chinese and Indian economies? How can we fashion a Phillips curve without imputing the behavioral patterns of foreign labor pools? How can we formulate a regression analysis to capture what competition from all these new sources does to incentivize American management?

Until we are able to do so, we can only surmise what globalization does to the gearing of the U.S. economy, and we must continue driving monetary policy by qualitative assessment as we work to perfect our quantitative tool kit. At least that is my view.

The cost of capital is a critical variable in any business operation. The lower the cost in real terms—net of inflation—the better.

Get to a Bloomberg terminal and look across the world. Interest rates have been trending downward to post-World War II lows as inflation has trended downward. Over the past few years there has been a noticeable convergence of rates all along the yield curve—from the shortest term you can borrow money to the longest. (Indeed, due to increasing confidence in the determination and ability of central banks to hold inflation at bay, the term "long" has now been stretched out to 50 years.) This is true not just for the major economies. As a proxy for what this means to business borrowers worldwide, consider some sovereign credits. Greece, backed by the euro, borrows funds of 10-year maturity at 3.7 percent. Poland can borrow 10-year money at 5.2 percent. And here is my poster child for what I

consider the miracle of globalized money markets. Let me read to you from the *Financial Times* of Oct. 28: "Vietnam yesterday raised \$750 million with... a dollar denominated ... 10 year bond. Investors put in orders totaling \$4.5 billion, six times the amount on offer. During trading in New York... the bond... was priced to yield 7.125%."

I seriously doubt that had central bankers here or elsewhere in the world not managed their affairs in a manner that discourages inflationary expectations, this would be anywhere near possible. You cannot have the frenetic progress Tom Friedman describes in his book without the well-functioning, reliable monetary regimes central banks have been sustaining.

This is the great responsibility of the strange species known as central bankers. It is an especially intense responsibility for the Federal Reserve, as the central bank of the largest economy in the world, which prints the world's most utilized currency. One cannot make monetary policy without being aware of the forces of globalization acting upon our economy. Nor can one be oblivious to the need for us to conduct our policy without an awareness of how what we do impacts markets, and therefore, economic potential, worldwide.

A few weekends ago, I went to College Station, Texas, to watch Texas A&M play Baylor. One of the A&M regents tried to explain a coach's decision that I had questioned. I couldn't understand the logic after several tries. So my friend said, "Look, Harvard boy, let me lay it on you in Aggie Latin: *Bubbus, sed possum explicare. Non sed possum comprehendere.* "Bubba, I can explain it to you, but I can't understand it for you."

This evening, I have done my best to explain that there is a connection between globalization and monetary policy. I hope you take what I have said and come to understand what it means. ●

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In a Program on U.S.-Japan Relations seminar that attracted ninety faculty, students, and researchers, Harvard's Ezra Vogel and Tokyo University's Akio Takahara (currently a visiting scholar at Fairbank Center for East Asian Research) debated contentious issues in contemporary Sino-Japanese Relations.

PROGRAM ON U.S.-JAPAN RELATIONS

◆Professor Yasushi Watanabe of Keio University, an Academic Associate in 2003-04 at the Program on U.S.-Japan Relations, won Japan's prestigious Suntory Prize for Social Sciences and Humanities. The Prize was awarded to his book, *Afutaa Amerika*, a political and social anthropological study of Bostonians. He also received another award from the Japan Academy, given to five scholars in the humanities and natural and social sciences.

◆In Japan's September 11 election, four alumni of the Program on U.S.-Japan Relations—Yoichiro Esaki (1986), Taku Eto (1987), Katsuya Okada (1986), and Kozo Yamamoto (1982)—were elected to Japan's House of Representatives. In Japan's cabinet shuffle in early November, program alumnus Heizo Takenaka (1981) became Minister for Internal Affairs and Communications and continued to serve as Minister of State for Privatization of the Postal Services.

NEWS



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